LINN ENERGY, LLC
Form DEF 14A
March 10, 2015
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

Filed by the Registrant x Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to §240.14a-12

Linn Energy, LLC

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

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(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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¨ Fee paid previously with preliminary materials.

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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LINN ENERGY, LLC

600 Travis, Suite 5100

Houston, Texas 77002

NOTICE OF ANNUAL MEETING OF UNITHOLDERS

To Be Held on April 21, 2015

Dear Unitholder:

You are cordially invited to attend the 2015 Annual Meeting of Unitholders (Annual Meeting) of Linn Energy, LLC, a Delaware limited liability company (LINN), which will be held on Tuesday, April 21, 2015, at 11:45 a.m., Central Daylight Time, at the 601 Travis Auditorium, 601 Travis Street, Houston, Texas 77002.

The Annual Meeting will be held for the following purposes:

1. To elect six directors to LINN s Board of Directors to serve until the 2016 Annual Meeting of Unitholders;

2. To ratify the appointment of KPMG LLP as independent public accountant of LINN for the fiscal year ending December 31, 2015; and

3. To transact such other business as may properly come before the Annual Meeting and any reconvened meeting following any adjournments or postponements of the meeting.

Additional information regarding the Annual Meeting is set forth in the attached Proxy Statement. Only unitholders of record at the close of business on February 23, 2015 are entitled to receive notice of and to vote at the Annual Meeting or any reconvened meeting following any adjournments or postponements thereof. A list of our unitholders will be available for examination at the Annual Meeting and at our Houston office at least ten days prior to the Annual Meeting.

By Order of the Board of Directors,

Candice J. Wells

Vice President, General Counsel and Corporate Secretary

Houston, Texas

March 10, 2015

YOUR VOTE IS IMPORTANT. WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, PLEASE SIGN, DATE AND RETURN THE ENCLOSED PROXY CARD IN THE ENCLOSED POSTAGE-PAID RETURN ENVELOPE AS PROMPTLY AS POSSIBLE. IF YOU ATTEND THE MEETING AND SO DESIRE, YOU MAY WITHDRAW YOUR PROXY AND VOTE IN PERSON.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE

UNITHOLDERS MEETING TO BE HELD ON APRIL 21, 2015

This Proxy Statement and our 2014 Annual Report are available at *www.proxyvote.com*.

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PROXY STATEMENT

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LINN ENERGY, LLC

600 Travis, Suite 5100

Houston, Texas 77002

PROXY STATEMENT

Annual Meeting of Unitholders

To Be Held on April 21, 2015

This Proxy Statement is being furnished to you in connection with the solicitation of proxies by and on behalf of the Board of Directors of Linn Energy, LLC (the Board), for use at our 2015 Annual Meeting of Unitholders (Annual Meeting) or at any reconvened meeting after any adjournments or postponements thereof. The Annual Meeting will be held on April 21, 2015, at 11:45 a.m., Central Daylight Time, at the 601 Travis Auditorium, 601 Travis Street, Houston, Texas 77002. You can obtain directions to the Annual Meeting by calling our Investor Relations line at **(281) 840-4110**. Only holders of record of units at the close of business on February 23, 2015 (the Record Date) were entitled to notice of, and are entitled to vote at, the Annual Meeting and any reconvened meeting following any adjournments or postponements thereof, unless such adjournment or postponement is for more than 30 days, in which event we will set a new record date. Unless the context requires otherwise, the terms LINN, the Company, our, we, and similar terms refer to Linn Energy, LLC, together with its consolidated subsidiaries.

Internet Availability of Proxy Materials

We have elected to take advantage of the Notice and Access rules adopted by the U.S. Securities and Exchange Commission (the SEC), which allow us to deliver to our unitholders a Notice of Internet Availability of Proxy Materials and to provide internet access to our proxy materials and Annual Report.

Accordingly, on or about March 10, 2015, we will begin mailing to our unitholders of record a Notice of Internet Availability of Proxy Materials, which we refer to as the Notice of Internet Availability, except for unitholders who have indicated their preference to receive a full, printed set of materials for future meetings, to whom we will begin mailing the requested printed materials on such date. The Notice of Internet Availability will include instructions on accessing and reviewing our proxy materials and our 2014 annual report to unitholders on the internet, and will provide instructions on submitting a proxy on the internet.

At the time we begin mailing our Notice of Internet Availability, we will also first make available on the internet at *www.proxyvote.com* our meeting notice, our Proxy Statement and our 2014 Annual Report to unitholders. Any unitholder may also request a printed copy of these materials by any of the following methods:

internet at *www.proxyvote.com*;

e-mail at sendmaterial@proxyvote.com; or

telephone at 1-800-579-1639.

Pursuant to the SEC s rules, our 2014 Annual Report to unitholders, which includes our audited consolidated financial statements, is not considered a part of, or incorporated by reference in, the proxy solicitation materials.

Proposals to be Voted On at Annual Meeting

At our 2015 Annual Meeting, we are asking our unitholders to consider and act upon proposals to: (1) elect six directors to serve until our 2016 Annual Meeting; and (2) ratify the appointment of KPMG LLP as our independent public accountant for the fiscal year ending December 31, 2015.

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Quorum Required

The presence, in person or by proxy, of the holders as of the Record Date of a majority of our outstanding units is necessary to constitute a quorum for purposes of voting on the proposals at the Annual Meeting. Withheld votes, abstentions and broker non-votes (which result when a broker holding shares for a beneficial owner has not received timely voting instructions on certain matters from such beneficial owner and when the broker does not otherwise have discretionary power to vote on a particular matter) will count as present for purposes of establishing a quorum on the proposals.

How to Vote

If you are a holder of our units, you are entitled to one vote at the meeting for each unit that you held as of the Record Date for each proposal and director nominee. If you do not wish to vote for a particular director nominee, you must clearly identify such nominee on your proxy card. Votes withheld will have the same effect as not voting. A plurality of the votes cast by holders of the units present in person or represented by proxy at the meeting and entitled to vote on the election of directors is required to elect each nominee for director. If units are held in street name (in the name of a broker or by a bank or other nominee) and the broker, bank or other nominee is not given direction on how to vote, the broker will not have discretion to vote such shares on non-routine matters, including the election of directors. Abstentions and broker non-votes, if any, though counted for purposes of determining a quorum, will not be included in the vote totals and therefore will not have any effect on any proposal. For matters other than the election of directors, approval will be determined by a majority of those votes cast affirmatively or negatively by members holding outstanding units and entitled to vote on the matter.

You may vote in person at the Annual Meeting or by proxy. Even if you plan to attend the Annual Meeting, we encourage you to complete, sign and return your proxy card in advance of the Annual Meeting. If you plan to attend the Annual Meeting and wish to vote in person, we will give you a ballot at the meeting. However, please note that if your units are held in street name, you are considered the beneficial owner of these units and proxy materials are being forwarded to you by your broker or nominee, which is considered, with respect to these units, the unitholder of record. As the beneficial owner, you have the right to direct your broker how to vote; however, since you are not the unitholder of record, you may not vote these units in person at the Annual Meeting unless you obtain a legal proxy from your brokerage firm. Please mail your completed, signed and dated proxy card in the enclosed postage-paid return envelope as soon as possible so that your units may be represented at the Annual Meeting.

Revoking Your Proxy

You may revoke your proxy before it is voted at the Annual Meeting as follows: (i) by delivering, before or at the Annual Meeting, a new proxy with a later date; (ii) by delivering, on or before the business day prior to the Annual Meeting, a notice of revocation to our Corporate Secretary at the address set forth in the notice of the Annual Meeting; (iii) by attending the Annual Meeting in person and voting, although your attendance at the Annual Meeting, without actually voting, will not by itself revoke a previously granted proxy; or (iv) if you have instructed a broker to vote your units, you must follow the directions received from your broker to change those instructions.

All units represented by valid proxies that LINN receives through this solicitation, and that are not revoked, will be voted in accordance with your instructions on the proxy card. If you make no specification on your proxy card as to how you want your units voted before signing and returning it, your proxy will be voted:

1. FOR the election of each of the six nominees for the LINN board of directors; and

2. FOR the ratification of the selection of KPMG LLP as independent public accountant for LINN for 2015.

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Outstanding Units Held on Record Date

As of the Record Date, there were 335,551,106 outstanding units entitled to vote at the Annual Meeting.

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PROPOSAL ONE: ELECTION OF DIRECTORS

Members of our Board are elected each year at the annual meeting of unitholders. All of our current Board members have been nominated to stand for re-election at our annual meeting. Each of the nominees is currently a director and was previously elected by the unitholders at the 2014 annual meeting.

We encourage our director nominees to attend our annual meetings to provide an opportunity for unitholders to communicate directly with directors about issues affecting our company. We anticipate that all director nominees will attend the Annual Meeting. In 2014 all the current directors attended the annual meeting.

At the Annual Meeting, our unitholders will consider and act upon a proposal to elect six directors to our Board to serve until the 2016 Annual Meeting of Unitholders. Each of the nominees has consented to being named in this Proxy Statement and to serve as a director if so elected. Each nominee who is elected to our Board will serve in such capacity until his term expires or his successor has been duly elected and qualified or, if earlier, until such director dies, resigns or is removed. The persons named as proxies in the accompanying proxy card, who have been designated by our Board, intend to vote **FOR** the election of each of the director nominees unless otherwise instructed by a unitholder in a proxy card. If any of these nominees becomes unable for any reason to stand for election as a director, the persons named as proxies in the accompanying proxy card will vote for the election of such other person or persons as our Board may recommend and propose to replace such nominee or nominees, or the size of the Board may be reduced accordingly; however, the Board is not aware of any circumstances likely to render any nominee unavailable.

Information concerning the six director nominees is set forth below.

Director Nominees

Name	Age	Position with Our Company	Director Since
Mark E. Ellis	58	Chairman, President and Chief Executive Officer	2010
David D. Dunlap	53	Independent Director	2012
Stephen J. Hadden	60	Independent Director	2013
Michael C. Linn	63	Independent Director	2003
Joseph P. McCoy	64	Independent Director	2007
Jeffrey C. Swoveland	60	Independent Director	2006

Mark E. Ellis is the Chairman, President and Chief Executive Officer of the Company and has served in such capacity since December 2011 and has been the Chairman, President and Chief Executive Officer of LinnCo, LLC, an affiliate of LINN (LinnCo), since April 2012. He previously served as President, Chief Executive Officer and Director of the Company from January 2010 to December 2011. From December 2007 to January 2010, Mr. Ellis served as President and Chief Operating Officer of the Company. Mr. Ellis serves on the boards of the Independent Petroleum Association of America (the IPAA), National Petroleum Council (the NPC), American Exploration & Production Council, Industry Board of Petroleum Engineering at Texas A&M University, Houston Museum of Natural Science and The Center for the Performing Arts at The Woodlands. In addition, he is a member of the Society of Petroleum Engineers, Chairman of the Board for The Center for Hearing and Speech, and holds a position as trustee on the Texas A&M University 12th Man Foundation Board of Trustees.

David D. Dunlap was appointed to the Board in May 2012. Mr. Dunlap is an independent director. Mr. Dunlap also served on the LinnCo board of directors from May 2012 until February 2013. Mr. Dunlap serves on the Company s Audit, Compensation, Nominating and Governance and Conflicts Committees. Mr. Dunlap is President and Chief Executive Officer and director of Superior Energy Services, Inc. (Superior), positions that he has held since April 2010. Prior to joining Superior, Mr. Dunlap was Executive Vice President and Chief Operating Officer for BJ Services Company (BJ Services). During a twenty-five year career with BJ Services, he

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served in a variety of engineering, operations and management positions including President of BJ Services International Division and Vice President of Division Sales. Mr. Dunlap is a member of the board of directors of the Texas A&M University Petroleum Engineering Industry Board, The John Cooper School Board of Trustees, the Board of Directors of The Cynthia Woods Mitchell Pavilion, the Woodlands Children s Museum Board of Directors and holds a position as trustee on the Texas A&M University 12th Man Foundation Board of Trustees.

Stephen J. Hadden was appointed to the Board and the board of directors of LinnCo in December 2013. Mr. Hadden is an independent director. Mr. Hadden serves on the Company s Audit, Compensation and Nominating and Governance Committees. Previously, Mr. Hadden was a director with Berry Petroleum Company from February 2011 until its acquisition by the Company and served on its audit and corporate governance and nominating committees. Mr. Hadden was appointed to the board of directors and the compensation committee of the board of directors of FMSA Holdings Inc. and the advisory board of Tennenbaum Capital Partners in January 2015. Mr. Hadden has over 30 years of experience in the oil and gas industry, having served in various management roles for Texaco Inc. (now Chevron Corporation). More recently, Mr. Hadden was Executive Vice President of Worldwide Exploration and Production for Devon Energy Corporation from July 2004 until March 2009 and served on the following: the advisory board of the Society of Petroleum Engineers, the upstream committee of the American Petroleum Institute, the Allied Arts Board and the Oklahoma City Petroleum Club Board.

Michael C. Linn is our Founder and an independent director of the Company and has served in that capacity since December 2011 and has been a director of LinnCo since April 2012. Prior to that, he was Executive Chairman of the Board since January 2010. He served as Chairman and Chief Executive Officer from December 2007 to January 2010; Chairman, President and Chief Executive Officer from June 2006 to December 2007; and President, Chief Executive Officer and Director of the Company from March 2003 to June 2006. Following his retirement as an officer of the Company, Mr. Linn formed MCL Ventures LLC (MCL Ventures), a private investment vehicle that focuses on purchasing oil and gas royalties as well as non-operated interests in oil and gas wells, subject to the non-competition provisions in his retirement agreement with the Company, and is the President and CEO of MCL Ventures. Mr. Linn also serves on the board of directors of, and is chairman of the compensation committee for, Nabors Industries, Ltd, the board of directors for Black Stone Minerals Company, and the board of directors of Western Refining Logistics GP, LLC, and is non-executive director of Centrica plc and senior advisor for Quantum Energy Partners, LLC. Mr. Linn was previously a lecturer at the C.T. Bauer College of Business at the University of Houston. Mr. Linn currently serves on: the NPC and the IPAA past chairman and board member. He previously served on the following: Natural Gas Supply Association director; National Gas Council chairman and director; Independent Oil and Gas Associations of New York, Pennsylvania and West Virginia chairman and president of each and is a past Texas Representative for the Legal and Regulatory Affairs Committee of the Interstate Oil and Gas Compact Commission. He was named the 2011 IPAA Chief Roughneck of the Year, inducted into the All American Wildcatters and received The Woodrow Wilson Award for Public Service. Mr. Linn also serves on the following: Texas Children s Hospital executive committee, board of trustees, chairman of compensation committee, member of finance committee, chairman of the Promise $475 Million Capital Campaign; M.D. Anderson board of visitors and development committee; Houston Methodist Hospital senior cabinet of the President s Leadership Council; Texas Heart Institute foundation board; Houston Children s Charity advisory board; Museum of Fine Arts Houston building and grounds committee, long-range planning committee and finance committee; Houston Police Foundation board of directors; and Jones Graduate School of Business at Rice University member of the Council of Overseers.

Joseph P. McCoy was appointed to the Board in September 2007 and the LinnCo board of directors in April 2012. Mr. McCoy is an independent director and serves as Chairman of the Company s and LinnCo s Audit Committees and is a member of the Company s Compensation and Nominating and Governance Committees. Mr. McCoy served as Senior Vice President and Chief Financial Officer of Burlington Resources Inc. (Burlington) from 2005 until 2006 and Vice President and Controller (Chief Accounting Officer) of Burlington from 2001 until 2005. Prior to joining

Burlington, Mr. McCoy spent 27 years with Atlantic Richfield and

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affiliates in a variety of financial positions. Mr. McCoy joined the board of directors of Global Geophysical Services, Inc., where he also serves as chairman of its audit committee, and Scientific Drilling International, Inc. during 2011 and served as a member of the board of directors of Rancher Energy, Inc. and BPI Energy Corp. from 2007 to 2009. Since 2006, other than his service on the Board and the other boards identified above, Mr. McCoy has been retired.

Jeffrey C. Swoveland was appointed to the Board in January 2006. Mr. Swoveland is an independent director. Mr. Swoveland also served on the LinnCo board of directors from April 2012 until February 2013. Mr. Swoveland is the Chairman of the Company s Compensation Committee and serves on the Company s Audit, Nominating and Governance and Conflicts Committees. Mr. Swoveland is active in advising and investing in technology startups. From June 2009 through February 2014, Mr. Swoveland served as the Chief Executive Officer of ReGear Life Sciences (formerly known as Coventina Healthcare Enterprises), a medical device company that develops and markets products which reduce pain and increase the rate of healing through therapeutic, deep tissue heating. From May 2006 to June 2009, Mr. Swoveland served as Chief Operating Officer of ReGear Life Sciences. From 2000 to 2006, he served as Chief Financial Officer of BodyMedia, a life-science and bioinformatics company. From 1994 to 2000, he served as Director of Finance, Vice President Finance & Treasurer and Interim Chief Financial Officer of Equitable Resources, Inc., a diversified natural gas company. Mr. Swoveland is also chairman of the board of directors of PDC Energy, Inc.

Qualifications of Director Nominees

In making its recommendation to nominate the current directors for re-election, the Nominating and Governance Committee of the Board (Nominating Committee) determined that each of Mark E. Ellis, David D. Dunlap, Stephen J. Hadden, Michael C. Linn, Joseph P. McCoy and Jeffrey C. Swoveland, possess the following qualifications:

1. personal and professional integrity and high ethical standards;

2. good business judgment;

3. an excellent reputation in the industry in which the nominee or director is or has been primarily employed;

4. a sophisticated understanding of our business or similar businesses;

5. curiosity and a willingness to ask probing questions of management;

6. the ability and willingness to work cooperatively with other members of the Board and with our Chairman, President and Chief Executive Officer and our other members of senior management; and

7. the ability and willingness to support us with preparation for, attendance at and participation in Board meetings.

The Nominating Committee further found that each of the nominees possesses the following experience, qualifications, attributes and skills that, combined with those qualifications identified above, led the Nominating Committee to conclude that such nominee should serve as a member of our Board:

1. Mark E. Ellis

As current President and CEO of the Company, is well suited to inform the board of significant strategic matters and to lead the Board as Chairman.

Brings over 35 years of experience in the oil and natural gas industry, including membership in the NPC and the Society of Petroleum Engineers.

As an engineer, brings technical expertise.

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2. David D. Dunlap

   As current President, CEO and director of Superior, brings significant knowledge of public company governance and process.

   Brings significant experience in the oil and gas industry, including current position at Superior and prior service as Executive Vice President and Chief Operating Officer for BJ Services.

   Brings over 29 years of experience in the well services business.

3. Stephen J. Hadden

   As former Executive Vice President of Worldwide Exploration and Production for Devon Energy Corporation, brings significant knowledge of the business of the Company.

   Brings significant experience in the oil and gas industry, including 30 years prior service with Texaco Inc. (now Chevron Corporation) and Devon Energy Corporation.

   As a former board member and member of the audit and corporate governance and nominating committees of Berry Petroleum Company and current board member and member of the compensation committee of FMSA Holdings Inc., brings experience serving on public company boards.

4. Michael C. Linn:

   As founder of the Company, brings historical knowledge and strategic experience and is well suited to serve as a link between board and management.

   Brings significant experience in the oil and gas industry, including service on the NPC and as past chairman and board member of the IPAA.

   As an attorney, brings legal expertise.

5. Joseph P. McCoy

As former Chief Financial Officer of Burlington, brings significant knowledge of the business of the Company.

As former director of Rancher Energy, Inc. and BPI Energy Corp. and current director of Global Geophysical Services, Inc., brings experience serving on public company boards.

As former Chief Financial Officer and Chief Accounting Officer of Burlington, brings significant financial expertise and experience in the preparation and review of financial statements and disclosure documents.

6. Jeffrey C. Swoveland

As former Vice President Finance & Treasurer and Interim Chief Financial Officer of Equitable Resources, Inc., brings significant financial expertise and experience in the preparation and review of financial statements and disclosure documents.

Brings expertise and experience in banking, including credit/financial analysis.

As chairman and former chairman of the audit committee and compensation committee of PDC Energy, Inc., brings experience serving on public company boards and as compensation committee chairman.

Required Vote

Our limited liability company agreement provides for plurality voting in the election of directors, and directors will be elected by a plurality of the votes cast for a particular position. Each outstanding unit shall be entitled to one vote on all matters submitted to members for approval and in the election of directors.

With respect to the Annual Meeting, we have six nominees and six available board seats. Each properly executed proxy received in time for the Annual Meeting will be voted as specified therein. The six nominees receiving the most votes cast at the Annual Meeting will be elected to our Board.

OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT UNITHOLDERS VOTE FOR THE ELECTION OF EACH OF THE SIX NOMINEES FOR DIRECTOR.

CORPORATE GOVERNANCE

Director Independence

The Nominating Committee reviews director independence on an annual basis and makes a threshold determination as to the status of each director s independence. After this initial determination is made, the Nominating Committee makes a recommendation to the full Board, who then ultimately determine director independence. This subjective determination is made by considering all direct or indirect business relationships between each director (including his immediate family) and our company, as well as relationships between our company and charitable organizations with which the director is affiliated. The full Board, upon recommendation by the Nominating Committee, has determined that Messrs. Dunlap, Hadden, Linn, McCoy and Swoveland qualify as independent in accordance with the published listing requirements of The NASDAQ Global Select Market (NASDAQ). The NASDAQ independence definition includes a series of objective tests, including that the director is not an employee of our company and has not engaged in various types of business dealings with our company. In addition, as further required by the NASDAQ rules, the Nominating Committee has made a subjective determination as to each independent director that no relationships exist which, in the opinion of the Nominating Committee, would interfere with the exercise of his independent judgment in carrying out the responsibilities of a director. Mr. Ellis is not independent by virtue of his role as our Chairman, President and Chief Executive Officer. During the Board of Directors most recent review of independence, the Board specifically considered that Mr. Dunlap is the President and Chief Executive Officer of Superior, which provides certain oilfield services to LINN. According to disclosures made by Mr. Dunlap, for the year ended December 31, 2014, LINN was billed approximately $24.4 million by Superior and its subsidiaries for services rendered to LINN. These transactions were consummated on terms equivalent to those that prevail in arm s-length transactions and do not represent more than 5% of the consolidated gross revenues of Superior. The Board then determined that LINN s relationship with Superior would not interfere with Mr. Dunlap s exercise of his independent judgment in carrying out his responsibilities as a director of LINN.

In addition, the members of the Audit Committee of our Board each qualify as independent under standards established by the SEC for members of audit committees, and the Audit Committee includes at least one member who is determined by our Board to meet the qualifications of an audit committee financial expert in accordance with SEC rules. Mr. McCoy is the independent director who has been determined to be an audit committee financial expert. Unitholders should understand that this designation is a disclosure requirement of the SEC related to Mr. McCoy s experience and understanding with respect to certain accounting and auditing matters. The designation does not impose on Mr. McCoy any duties, obligations or liability that are greater than are generally imposed on him as a member of the Audit Committee and Board, and his designation as an audit committee financial expert pursuant to this SEC requirement does not affect the duties, obligations or liability of any other member of the Audit Committee or Board.

Governance Guidelines and Codes of Ethics

Our Board has adopted Corporate Governance Guidelines to assist it in the exercise of its responsibility to provide effective governance over our affairs for the benefit of our unitholders. In addition, we have adopted a Code of

Business Conduct and Ethics, which sets forth legal and ethical standards of conduct for all our employees, as well as our directors. We also have adopted a separate code of ethics which applies to our Chief Executive Officer and Senior Financial Officers. All of these documents are available on our website, *www.linnenergy.com*, and will be provided free of charge to any unitholder requesting a copy by writing to our

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Corporate Secretary, Linn Energy, LLC, 600 Travis, Suite 5100, Houston, Texas 77002. If any substantive amendments are made to the Code of Ethics for our Chief Executive Officer and Senior Financial Officers or if we grant any waiver, including any implicit waiver, from a provision of such code, we will disclose the nature of such amendment or waiver within four business days on our website. The information on our website is not, and shall not be deemed to be, a part of this Proxy Statement or incorporated into any other filings we make with the SEC.

Communications to Our Board of Directors

Our Board has a process in place for communication with unitholders. Unitholders should initiate any communications with our Board in writing and send them to our Board c/o Candice J. Wells, Vice President, General Counsel and Corporate Secretary, Linn Energy, LLC, 600 Travis, Suite 5100, Houston, Texas 77002. All such communications will be forwarded to the appropriate directors. This centralized process will assist our Board in reviewing and responding to unitholder communications in an appropriate manner. If a unitholder wishes for a particular director or directors to receive any such communication, the unitholder must specify the name or names of any specific Board recipient or recipients in the communication. Communications to our Board must include the number of units owned by the unitholder as well as the unitholder s name, address, telephone number and email address, if any.

Meetings of Our Board of Directors; Executive Sessions

Our Board holds regular and special meetings from time to time as may be necessary. Regular meetings may be held without notice on dates set by our Board from time to time. Special meetings of our Board may be called with reasonable notice to each member upon request of the Chairman of the Board or upon the written request of any three Board members. A quorum for a regular or special meeting will exist when a majority of the members are participating in the meeting either in person or by conference telephone. Any action required or permitted to be taken at a Board meeting may be taken without a meeting, without prior notice and without a vote if all of the members sign a written consent authorizing the action.

During 2014, our Board held five regular and six special meetings. The standing Committees of our Board held an aggregate of 17 meetings during this period. Each director attended at least 75% of the aggregate number of meetings of the Board and Committees on which he served.

The Corporate Governance Guidelines adopted by our Board provide that the independent directors will meet in executive session at least quarterly, or more frequently if necessary. The lead director will chair the executive sessions of the independent directors.

Leadership Structure

The Nominating Committee believes that Mr. Ellis serving as both Chairman and Chief Executive Officer is the most effective leadership structure for us because it makes clear that the Chairman of the Board and CEO is responsible for managing our business under the oversight and review of our Board, and enables our CEO to act as a bridge between management and the Board, helping both to act with a common purpose.

Lead Director

The Board, upon recommendation of the Nominating Committee, appointed Terrence S. Jacobs as independent lead director in January 2012. Mr. Jacobs was reelected as lead director in January 2013 and served until his resignation from our Board in February 2013. Our current lead director is David D. Dunlap and was elected to that position in

February 2013. The Board intends to elect a lead director annually from the independent directors of the Board. The lead director has clearly defined leadership authority and responsibilities, which include presiding at all meetings of the Board at which the Chairman of the Board is not present, including executive sessions of the independent directors, and serving as liaison between the Chairman of the Board and

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the independent directors. Our lead director is afforded direct and complete access to the Chairman of the Board at any time as such director deems necessary or appropriate.

Risk Oversight

We maintain an Enterprise Risk Management Committee (ERM Committee) composed of members of senior management across all functions of the Company. The ERM Committee is led by our General Counsel and is tasked with coordinating risk management efforts across the organization to ensure appropriate protection and preservation of our employees, financial integrity and physical assets. In particular the ERM Committee ensures that sound policies, procedures and practices are in place for the enterprise-wide management of our material risks, and provides regular reports to the Board.

The Board provides oversight of our major risk exposures and the steps management has taken to monitor and manage such exposures. The Board also consults with the Compensation Committee of the Board regarding our major risk exposures and whether our compensation policies and practices create risks that are reasonably likely to have a material adverse effect on us. In January 2015, the Compensation Committee determined that, with respect to 2014, our compensation policies and practices do not create risks that are reasonably likely to have a material adverse effect on us.

Committees of Our Board of Directors

Our Board has standing Audit, Compensation and Nominating and Governance Committees. Each member of these Committees is an independent director in accordance with the NASDAQ listing standards described above and applicable SEC rules. Our Board has adopted a written charter for each of these Committees, which sets forth each Committee s purposes, responsibilities and authority. Each Committee reviews and assesses on an annual basis the adequacy of its charter and recommends any proposed modifications. These committee charters are available on our website at *www.linnenergy.com*. You may also contact Candice J. Wells, our Vice President, General Counsel and Corporate Secretary at Linn Energy, LLC, 600 Travis, Suite 5100, Houston, Texas 77002, to request paper copies free of charge. The following is a brief description of the functions and operations of the standing Committees of our Board.

Members of the Committees of the Board of Directors

BOARD MEMBERS	AUDIT COMMITTEE	COMPENSATION COMMITTEE	NOMINATING COMMITTEE
David D. Dunlap			
Mark E. Ellis			
Stephen J. Hadden			*
Michael C. Linn			
Joseph P. McCoy			
Jeffrey C. Swoveland			

Chair Member

* Elected to Chairman position in January 2015.

Audit Committee

The Audit Committee assists our Board in its general oversight of our financial reporting, internal controls, audit functions and oil and gas reserves, and is directly responsible for the appointment, retention, compensation and oversight of the work of our independent public accountant. During 2014, the Audit Committee held seven meetings. Each member of the Audit Committee is independent as defined by the NASDAQ listing standards and applicable SEC rules, and is financially literate. Mr. McCoy has been designated the audit committee financial expert.

Our Audit Committee also annually reviews related party transactions and other specific matters that our Board believes may involve conflicts of interest. The Audit Committee determines if the related party transaction or resolution of the conflict of interest is in the best interest of our company. In accordance with our limited liability company agreement, any conflict of interest matters approved by the Audit Committee will be conclusively deemed to be fair and reasonable to our company and approved by all of our unitholders. The report of our Audit Committee appears under the heading Report of the Audit Committee on page 12 of this Proxy Statement.

Compensation Committee

The Compensation Committee s primary responsibilities are to: (i) approve the compensation arrangements for our senior management and for our Board members, including establishment of salaries and bonuses and other compensation for our executive officers, (ii) to approve any compensation plans in which our officers and directors are eligible to participate and to administer such plans, including the granting of equity awards or other benefits under any such plans and (iii) to review and discuss with our management the Compensation Discussion and Analysis to be included in our annual proxy statement. The Compensation Committee also oversees the preparation of the report on executive compensation for inclusion in the annual proxy statement.

During 2014, the Compensation Committee held six meetings. Each of the Compensation Committee members is independent as defined by the NASDAQ listing standards. All Compensation Committee members are also non-employee directors as defined by Rule 16b-3 under the Securities Exchange Act of 1934, as amended (Exchange Act) and outside directors under Rule 162(m) of the Internal Revenue Code. The report of our Compensation Committee appears under the heading Compensation Committee Report on page 35 of this Proxy Statement.

Procedures and Processes for Determining Executive and Director Compensation

Please refer to Compensation Discussion and Analysis The Compensation Committee, beginning on page 19 of this Proxy Statement for a discussion of the Compensation Committee s procedures and processes for making compensation determinations.

Compensation Committee Interlocks and Insider Participation

No member of our Compensation Committee serves as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving as a member of our Board or Compensation Committee. No member of our Compensation Committee has ever been an officer or employee of ours. There are no family relationships among any of our directors or executive officers.

Nominating and Governance Committee

The Nominating Committee s primary responsibilities are to: (i) develop criteria, recruit and recommend candidates for election to our Board, (ii) develop and recommend corporate governance guidelines to our Board, and to assist our Board in implementing such guidelines, (iii) lead our Board in its annual review of the performance of the Board and its Committees, (iv) review and recommend to the Board amendments, as appropriate, to our Code of Business Conduct and Ethics and our Code of Ethics for Chief Executive Officer and Senior Financial Officers and (v) assess the independence of each non-employee director and to determine whether a director qualifies as an audit committee financial expert. The Nominating Committee will consider the following qualifications, along with such other individual qualities the Board identifies from time to time, for director nominees:

personal and professional integrity and high ethical standards;

good business judgment;

- an excellent reputation in the industry in which the nominee or director is or has been primarily employed;
- a sophisticated understanding of our business or similar businesses;
- curiosity and a willingness to ask probing questions of management;
- the ability and willingness to work cooperatively with other members of the Board and with the Chief Executive Officer and other senior management; and
- the ability and willingness to support us with his or her preparation for, attendance at and participation in Board meetings.

The Nominating Committee will evaluate each nominee based upon a consideration of a nominee s qualification as independent and consideration of diversity, age, skills and experience in the context of the needs of the Board as described in our Corporate Governance Guidelines. The Nominating Committee does not have a policy with regard to the consideration of diversity in identifying director nominees. Diversity, including diversity of experience, professional expertise, gender, race and age, is one factor outlined in our Corporate Governance Guidelines that the Nominating Committee considers in evaluating a nominee. The Nominating Committee may rely on various sources to identify director nominees. These include input from directors, management, professional search firms and others that the Nominating Committee determines are reliable.

The Nominating Committee will consider director candidate suggestions made by unitholders in the same manner as other candidates. Any such nominations, together with appropriate biographical information, should be submitted to the Chairman of the Nominating and Governance Committee, c/o Candice J. Wells, Vice President, General Counsel and Corporate Secretary, Linn Energy, LLC, 600 Travis, Suite 5100, Houston, Texas 77002. For other procedures that must be followed in order for the Committee to consider recommendations from unitholders, please read Unitholder Proposals and Director Nominations Recommendation of Director Candidates to the Nominating and Governance Committee.

In 2014, the Nominating Committee held four meetings. Each member of the Nominating Committee is independent as defined by the NASDAQ listing standards.

There have been no material changes to the procedures by which LINN unitholders may recommend nominees to the Board implemented since LINN s most recent disclosure of such procedures in its Joint Proxy Statement/Prospectus for the Annual Meeting of Unitholders held on April 22, 2014.

Report of the Audit Committee

The Audit Committee oversees our financial reporting process on behalf of the Board. Management has the primary responsibility for the preparation of the financial statements and the reporting process, including the systems of internal control.

With respect to the consolidated financial statements for the year ended December 31, 2014, the Audit Committee reviewed and discussed the consolidated financial statements of Linn Energy, LLC and the quality of financial reporting with management and the independent public accountant. In addition, it discussed with the independent public accountant the matters required to be discussed by Auditing Standard No.16, *Communications with Audit Committees*, as adopted by the Public Company Accounting Oversight Board (PCAOB) on August 15, 2012. The Audit Committee also discussed with the independent public accountant its independence from Linn Energy, LLC and received from the independent public accountant the written disclosures and the letter from the independent public accountant complying with the applicable requirements of the PCAOB regarding the independent public accountant s communications with the Audit Committee concerning independence. The Audit Committee determined that the non-audit services provided to Linn Energy, LLC by the independent public accountant (discussed below under Proposal Two: Ratification of Independent Public Accountant) are compatible with maintaining the independence of the independent public accountant.

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Based on the reviews and discussions described above, the Audit Committee recommended to our Board that the consolidated financial statements of Linn Energy, LLC be included in the Annual Report on Form 10-K for the year ended December 31, 2014 for filing with the SEC.

Submitted By:

Audit Committee

Joseph P. McCoy, Chair

David D. Dunlap

Stephen J. Hadden

Jeffrey C. Swoveland

Notwithstanding anything to the contrary set forth in any of our previous or future filings under the Securities Act of 1933 or the Exchange Act that might incorporate this Proxy Statement or future filings with the SEC, in whole or in part, the preceding report shall not be deemed to be soliciting material or to be filed with the SEC or incorporated by reference into any filing except to the extent the foregoing report is specifically incorporated by reference therein.

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PROPOSAL TWO: RATIFICATION OF INDEPENDENT PUBLIC ACCOUNTANT

The Audit Committee of our Board has selected KPMG LLP to continue as our independent public accountant for 2015. KPMG LLP has served as LINN s independent public accountant since 2005. The Audit Committee has determined to submit KPMG LLP s selection to unitholders for ratification. Unitholder ratification of the selection of KPMG LLP as our independent public accountant is not required by our limited liability company agreement or otherwise. We are submitting the selection of KPMG LLP to unitholders for ratification as a matter of good corporate practice. If this selection of independent public accountant is not ratified by a majority of the outstanding units present in person or by proxy and entitled to vote at the Annual Meeting, the Audit Committee will reconsider its selection of independent public accountant. We are advised that no member of KPMG LLP has any direct or material indirect financial interest in our company or, during the past three years, has had any connection with us in the capacity of promoter, underwriter, voting trustee, director, officer or employee. A representative of KPMG LLP will attend the Annual Meeting. The representative will have the opportunity to make a statement if he desires to do so and to respond to appropriate questions.

Audit Fees

The fees for professional services rendered by KPMG LLP for the audit of our annual consolidated financial statements for the years ended December 31, 2013 and 2014, and the reviews of the financial statements included in any of our Quarterly Reports on Forms 10-Q for each of those years, were approximately $1,700,000 and $1,728,000, respectively. In addition, in connection with our subsidiary Berry Petroleum Company, LLC (Berry), we incurred audit fees to KPMG LLP of $450,000 and $775,000 for the years ended December 31, 2013 and 2014, respectively.

Audit-Related Fees

KPMG LLP also received fees for services in connection with our senior notes offerings and equity offerings in 2013 and 2014. These fees totaled approximately $225,000 and $1,115,000 for the years ended December 31, 2013 and 2014, respectively.

Tax Fees

KPMG LLP received fees for services related to a transfer pricing project totaling approximately $40,000 for the year ended December 31, 2013. We incurred no fees for the year ended December 31, 2014 for tax-related services provided by KPMG LLP.

All Other Fees

We incurred no other fees for the years ended December 31, 2013 and 2014 for any other services provided by KPMG LLP.

Audit Committee Approval of Audit and Non-Audit Services

The Audit Committee pre-approves all audit and non-audit services to be provided to us by our independent public accountant in the upcoming year at the last meeting of each calendar year and at subsequent meetings as necessary. The non-audit services to be provided are specified and shall not exceed a specified dollar limit. During the course of a fiscal year, if additional non-audit services are identified, these services are presented to the Audit Committee for pre-approval. All of the services covered under the caption Audit-Related Fees were approved by the Audit Committee and none were provided under the *de minimis* exception of Section 10A of the Exchange Act.

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Required Vote

Under our limited liability company agreement, unitholder ratification of KPMG LLP as our independent public accountant for 2015 is not required. However, in the event we elect to submit such ratification for unitholder approval, as we have done here, this approval would require the affirmative vote of a majority of the votes cast affirmatively or negatively by members holding outstanding units and entitled to vote on the proposal.

OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT UNITHOLDERS VOTE FOR APPROVAL OF THE RATIFICATION OF THE SELECTION OF KPMG LLP AS OUR INDEPENDENT PUBLIC ACCOUNTANT FOR 2015.

In the event of a negative vote on such ratification, the Audit Committee will reconsider its selection. Even if the selection is ratified, the Audit Committee in its discretion may direct the appointment of a different independent public accountant at any time during the year if the Audit Committee believes that such a change would be in the best interest of our company and our unitholders.

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COMPENSATION DISCUSSION & ANALYSIS

2014 Highlights and Executive Summary

Pay for performance is a fundamental tenet of our compensation philosophy. We believe that sustainable performance is what ultimately drives unitholder value and that designing a compensation plan that closely aligns the interests of Named Officers (defined below) and unitholders is critical. As a result, a substantial portion of our Named Officers total compensation is tied to our performance and delivered as incentive compensation, with a relatively small portion of the total delivered as fixed base salary. We deliver incentive compensation through our cash-based Employee Incentive Compensation Program (EICP) and our equity-based Long Term Incentive Plan (LTIP), both of which are explained further in Compensation Discussion & Analysis 2014 Executive Compensation Components beginning on page 23.

The Committee, with the assistance of the Company s management and the Committee s independent consultant, oversees, approves and assesses the effectiveness of our compensation program in relation to our compensation philosophy and the market for executive talent. The table below describes each of the elements of our executive compensation program and its link to our compensation objectives.

Compensation Element	Attract and retain talented executives	Align with unitholder interests	Provide total compensation tied to individual performance	Provide performance-based compensation that is balanced between short and long-term results	Encourage long-term commitment; maintain forfeitable balances
Base Salary	ü		ü		
Employee Incentive Compensation Program (EICP)	ü	ü		ü	
Long Term Incentive Plan (LTIP)	ü	ü	ü	ü	ü
Benefits, Perquisites and other Compensation (including Severance and Change of Control Arrangements)	ü				

As discussed in more detail below in Compensation Discussion & Analysis Our Executive Compensation Program beginning on page 21, the Compensation Committee believes in setting challenging annual goals that focus our Named Officers on the measures of company performance that create short and long-term value for you as a unitholder.

2014 was a transformative year for the Company. We executed a new strategic plan focused on reducing base decline and capital intensity and striving to live within internally generated cash flow going forward. We met substantially all of the goals we set at the beginning of 2014, despite some significant challenges, including the dramatic decline in commodity prices in late 2014 and the resulting decline in our unit price. The following are highlights:

We acquired approximately $3.9 billion and sold approximately $3.6 billion of properties in 2014, lowering our capital intensity and our overall base decline rate from 27% to 15%; we accomplished these through innovative arrangements including like-kind exchanges and property trades;

We demonstrated the willingness to reduce our distribution when necessary to further the goal of striving to live within internally generated cash flow in the future and maintaining the strength of our distribution;

We improved our liquidity position by extending the maturity of LINN s credit facility and issuing $1.1 billion in senior notes;

We executed a $1.5 billion capital program resulting in approximately 3-4% organic growth in 2014;

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We resolved all shareholder lawsuits related to the Berry transaction and related events and in early 2015, the SEC notified us it has closed its informal inquiry of LINN and recommended no enforcement action; and

We developed relationships with numerous financial partners and explored a variety of innovative joint venture structures to accelerate our ability to develop and acquire properties during a time of challenging commodity prices.

The Committee s primary compensation considerations for 2014 were as follows:

We met our operational and distribution funding goals for the year. These goals included actual production volumes, total cash costs (including lease operating expenses and general and administrative expenses), cash costs on a per Mcfe basis, cash flow per unit and Distribution Coverage Ratio. These metrics and goals are discussed further beginning on page 24;

Despite our success in transforming the Company through a variety of innovative strategies, we had a materially negative total unitholder return in 2014 due primarily to a rapid decrease in our unit price in late 2014 as a result of the dramatic decline in commodity prices in late 2014;

The Committee considered the results of the Company s 2014 say-on-pay vote and clarified certain of its practices and expectations (see chart below);

The Committee remained focused on continuing and enhancing its performance-oriented pay philosophy to reflect demonstrated performance in both EICP and LTIP awards, including grants of performance units in January 2015, as described below in Compensation Discussion & Analysis 2014 Executive Compensation Components beginning on page 23; and

The Committee approved EICP awards at 115% of target for 2014 for our performance against our goals for operations, ability to pay and strategic pathways while accounting for our unitholder return (a detailed explanation of the Committee s method for determining this percentage is further discussed on pages 27-28).

Response to 2014 Say on Pay Vote

Although we received greater than a majority of units cast for our named executive officer compensation (75%) at our 2014 Annual Meeting of Unitholders, the Committee sought information on how to improve the results. Throughout 2014, we reviewed the analysis provided by each of the proxy advisory firms and considered feedback from our unitholders. The Committee determined that it needed to provide unitholders additional clarity in this disclosure around certain of its compensation practices and decisions; these include:

The chart labeled Key Features of our Executive Compensation Program on page 18, which identifies existing compensation practices and certain new policies that highlight the Committee s performance-oriented approach to governance;

- The expanded disclosure of our Employee Incentive Compensation Program on pages 23-28, which provides a more detailed explanation of how the Committee determined the Company score and associated EICP award for 2014;

- We added performance awards in 2014, which make up approximately 25% of our Named Executive Officers (NEOs) LTIP awards and the payout of which is tied to our total unitholder return versus a group of peer master limited partnerships. The Performance Unit Awards section beginning on page 29 adds disclosure regarding the peer companies used and the multiplier for performance units; and

- The Termination Arrangements and Change of Control Provisions section on page 33, which explains that we have eliminated the use of employment contracts for new executive officers and eliminated excise tax gross-ups for future executive officers.

We will have our next advisory vote on our executive compensation program at our 2017 Annual Meeting of Unitholders.

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Key Features of our Executive Compensation Program

Our Executive Compensation Practices

(What We Do)

YES **Pay for Performance** Our executives total compensation is heavily weighted toward performance-based pay. Our Employee Incentive Compensation Program is based on performance against key financial and operational metrics. The ultimate value delivered by our LTIP is tied to both absolute and relative unitholder return performance. EICP awards and performance unit awards are capped at 200% of cash and unit targets, respectively.

YES **Utilize a Quantitative Process for Cash Awards** The Committee establishes Company performance measures and goals at the beginning of the performance year that are assigned weightings. In considering EICP awards for the year, the Committee scores the Company s performance on each measure as part of arriving at an overall score that determines the amount of any EICP awards.

YES **Executive Ownership Guidelines** We have adopted stock ownership guidelines for our senior executives and directors with good corporate governance practices. The requirements are:

Chairman, President and Chief Executive Officer: 5 times base salary;

Executive Vice Presidents: 4 times base salary;

Senior Vice Presidents: 3 times base salary;

Non-employee directors: 3 times their annual cash retainer.

YES **External Benchmarking** Our Compensation Committee reviews competitive compensation data based on an appropriate group of exploration and production corporations prior to making annual compensation decisions.

YES **Double-Trigger Severance** Upon a change of control, our employment agreements with our CEO, CFO, COO and CAO and our Change of Control Plan confer cash severance benefits only if the employee is actually or constructively terminated during the applicable period.

YES **Independent Compensation Consultant** The Compensation Committee has engaged an independent executive compensation advisor who reports directly to the Compensation Committee and provides no other services to the Company.

YES **Regular Review of Unit Utilization** We evaluate unit utilization by reviewing overhang levels (dilutive impact of equity compensation on our unitholders) and annual run rate (the aggregate units awarded each year as a percentage of total outstanding units).

Executive Compensation Practices We Have Not Implemented

(What We Do Not Do)

NO	**New Golden Parachute Excise Tax Gross-Ups** We will not offer new excise tax gross-up benefits to future officers.
NO	**Repricing** Our LTIP does not permit the repricing of underwater stock options.
NO	**Hedging, Pledging or Derivative Trading of LINE or LNCO Securities** These practices are strictly prohibited for all officers, directors and employees of the Company.
NO	**Excessive Perquisites** We offer limited perquisites to our NEOs, consistent with the perquisites offered by our peer companies, which are intended primarily to offset the cost of tax preparation, financial planning and related expenses.
NO	**Egregious Employment Agreements** The Company has not entered into contracts containing multi-year guarantees for salary increase or non-performance-based bonus or equity compensation. We have also eliminated the use of employment contracts for new executive officers.
NO	**Separate Employment Agreements for Incoming Executives** The Company has not entered into separate employment or change of control agreements with new executive officers. Such executives are subject to the Company s Change of Control Plan adopted in 2009.

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Executive Compensation Overview

We use traditional compensation elements of base salary, annual cash incentives, long-term equity based incentives, and employee benefits to deliver competitive compensation. Our executive compensation programs are administered by an independent compensation committee, with assistance from an independent consultant. We generally target the median of our peer group for total compensation, while providing the Named Officers with an opportunity to earn higher levels of incentive pay based on company performance. In 2014, we promoted David Rottino to Executive Vice President, Business Development and Chief Accounting Officer and Jamin McNeil to Senior Vice President Houston Division Operations. Our Named Officers for 2014 discussed below are:

- Mark E. Ellis, our Chairman, President and Chief Executive Officer;
- Kolja Rockov, our Executive Vice President and Chief Financial Officer;
- Arden L. Walker, Jr., our Executive Vice President and Chief Operating Officer;
- David B. Rottino, our Executive Vice President, Business Development and Chief Accounting Officer; and
- Jamin B. McNeil, our Senior Vice President Houston Division Operations.

The sections below address the following topics:

- the role of our Compensation Committee in establishing executive compensation;
- our process for setting executive compensation;
- our compensation philosophy and policies regarding executive compensation; and
- our compensation decisions with respect to our Named Officers.

The Compensation Committee

The Compensation Committee of our Board has overall responsibility for the approval, evaluation and oversight of all our compensation plans, policies and programs. The fundamental responsibilities of the Committee are to: (i) establish the goals, objectives and policies relevant to the compensation of our senior management, and evaluate performance in light of those goals to determine compensation levels, (ii) approve and administer our incentive compensation plans, (iii) set compensation levels and make awards under incentive compensation plans that are consistent with our compensation principles and our performance and (iv) review our disclosure relating to compensation. The Committee also has responsibility for evaluating compensation paid to our non-employee directors.

The Compensation Setting Process

Compensation Committee Meetings. Our Compensation Committee holds regular quarterly meetings each year, which coincide with our quarterly Board meetings. It also holds additional meetings as required to carry out its duties. The Committee Chairman works with our Corporate Secretary to establish each meeting agenda.

At the regular first quarter meeting, the Committee:

- considers and approves changes in base salary and EICP targets for the upcoming year;

- reviews actual results compared to the pre-established performance measures for the previous year to determine 1) annual cash incentive awards for our executive officers under our EICP and 2) the Company score used to determine the Company portion of EICP awards for our employees;

grants equity awards under our LTIP based on past Company performance and forward-looking retention and establishes performance metrics and the appropriate peer group for our performance-based LTIP awards;

approves the performance measures under our EICP for the upcoming year, which may include both quantitative financial and operational measures and qualitative performance measures intended to focus on and reward activities that create unitholder value;

evaluates the compensation paid to our non-employee directors and, to the extent it deems appropriate, approves any adjustments; and

evaluates and reviews the summary results of the Board s written evaluations of our Chief Executive Officer, as well as the Chief Executive Officer s self-evaluation.

The Committee receives updates periodically on our progress toward the goals set at the beginning of the year. At a special meeting of the Committee held in October, the Committee reviews and discusses a compensation analysis prepared by its independent compensation consultant (please see Role of Compensation Consultant below) and begins discussions on compensation for the succeeding calendar year.

The Committee meets in an executive session to consider appropriate compensation for our Chairman, President and Chief Executive Officer. With respect to compensation for all other Named Officers, the Committee generally meets with our Chairman, President and Chief Executive Officer outside the presence of all our other executive officers. When individual compensation decisions are not being considered, the Committee typically meets in the presence of our Chairman, President and Chief Executive Officer, our Senior Vice President of Corporate Services and our General Counsel and Corporate Secretary. Depending upon the agenda for a particular meeting, the Committee may also invite other officers, the Company s compensation consultant and a representative of the Committee s compensation consultant to participate in Committee meetings. The Committee also regularly meets in executive session without management to discuss other matters.

Role of Compensation Consultant. The Committee s Charter grants the Committee the sole and direct authority to retain and terminate compensation advisors and to approve their fees. All such advisors report directly to the Compensation Committee, and all assignments are directed by the Committee Chairman. For 2014, the Committee engaged Meridian Compensation Partners, LLC (Meridian) to assist the Committee in assessing and determining competitive compensation packages for our executive officers. Meridian did no other work for the Company in 2014. Prior to Meridian providing any services in 2014, the Committee assessed the independence of Meridian pursuant to SEC rules and concluded that no conflict of interest exists that would prevent Meridian from independently representing the Committee.

In this capacity, Meridian, at the Committee s request and under the direction of the Committee Chairman, provides input on our compensation program and structure generally and makes recommendations on the program design. Meridian also assembled information regarding comparable executive positions among independent oil and natural gas producers. Meridian s data for 2014 was based primarily on survey sources, and to a lesser extent on data compiled from the public filings of a peer group of various companies.

Compensation Benchmarking Peer Group. The chart below identifies the members of our 2013 and 2014 compensation benchmarking peer groups. Selection of an appropriate peer group is challenging for the Company due to its size and unique structure. While LINN competes with other upstream master limited partnerships for investors, these companies are significantly smaller in size and are not necessarily appropriate as a peer for compensation purposes. The Committee instead focuses on similarly situated upstream oil and gas producers as the Company s indicative labor market for talent, thus as compensation benchmarking peers. In selecting companies within that industry sector the Committee considers each company s market capitalization, asset size, asset mix and revenues but focuses primarily on enterprise value to establish comparable scope. For 2013, due to the significant increase in the enterprise value of the Company, the Committee revised the peer group for compensation benchmarking. When the Committee reviewed the compensation benchmarking peer group for 2014, the Company remained situated around the median of peers in size and scope, thus the Committee made no changes to the compensation benchmarking peer group in 2014.

Compensation Benchmarking Peer Group

Cabot Oil & Gas Corporation
Concho Resources Inc.
Continental Resources, Inc.
Denbury Resources Inc.
Devon Energy Corporation
Encana Corporation
EOG Resources, Inc.
Marathon Oil Corporation
Newfield Exploration Company
Noble Energy, Inc.
Pioneer Natural Resources Company
QEP Resources, Inc.
Range Resources Corporation
Southwestern Energy Company
Talisman Energy Inc.

The Committee uses a different peer group for purposes of evaluating the Company s relative total unitholder return under the performance based portion of our LTIP. See page 30 for a description of these peers.

The Company also employs an individual as a consultant to support us in managing our executive compensation process. Our consultant did not provide any other services to us in 2014.

Role of Executive Officers. Except with respect to his own compensation, our Chairman, President and Chief Executive Officer, with assistance from the Company s consultant, plays an important role in the Committee s establishment of compensation levels for our executive officers. The most significant aspects of his role in the process are:

- evaluating performance;
- recommending EICP award targets and quantitative and qualitative performance measures under our EICP;
- recommending base salary levels, actual EICP awards and LTIP awards; and
- advising the Committee with respect to achievement of performance measures under the EICP.

Our Executive Compensation Program

Compensation Objectives. Our executive compensation program is intended to align executive officer interests with unitholder interests by motivating our executive officers to achieve strong financial and operating results and ultimately grow our Company. We believe that profitable growth, both organically and through acquisitions, drives our ability to maintain the strength of unitholder distributions. The Company aligns these interests primarily through our EICP and LTIP programs. These programs achieve the following objectives:

- attract and retain talented executive officers by providing total compensation levels competitive with that of executives holding comparable positions in similarly-situated organizations;
- provide total compensation that is supported by individual performance;
- provide a performance-based compensation component that balances rewards for short-term and long-term results and is tied to company performance; and

encourage the long-term commitment of our executive officers to the Company and to unitholders long-term interests.

Compensation Strategy. Our total direct compensation program serves to attract, motivate and retain executives who have the character, industry experience and professional accomplishments required to grow and develop the Company. We seek to align executive compensation with unitholder interests by placing a significant portion of total direct compensation at risk.

At risk means the executive officer will not realize full value unless:

for EICP awards, performance goals are achieved, approximately 65% of which are directly tied to the Company s quantitative performance targets and 35% if which are associated with the achievement of our strategic pathways;

for restricted unit awards under our LTIP, we maintain or increase both our unit price and per unit distribution; and

for performance unit awards under our LTIP, we achieve at least a median ranking among our performance peers in total unitholder returns.

To appropriately incentivize our executive officers to take a long-term view, unit-based awards under our LTIP are the largest component of our at risk compensation, as described in the following chart:

Our executive compensation program consists of three principal elements: (i) base salary, (ii) cash incentive opportunities under the EICP based upon the achievement of specific Company performance objectives, and (iii) unit-based awards under the LTIP, which provide long-term incentives that are intended to encourage the achievement of superior results over time and to align the interests of executive officers with those of our unitholders.

To ensure that our total compensation package is competitive, Meridian develops an assessment of industry compensation levels through both an analysis of survey data and information disclosed in compensation benchmarking peer companies public filings. While the Committee considers this data when assessing the reasonableness of our executive officers total compensation, it also considers a number of other factors including:

historical compensation levels;

the specific role the executive plays within our company;

the individual performance of the executive; and the relative compensation levels among our executive officers.

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There is no pre-established policy or target for the Committee s allocation of total compensation between long-term compensation in the form of LTIP awards and short-term compensation in the form of base salary and EICP awards. The allocation is at the discretion of the Committee and generally is based upon an analysis of how our peer companies use long-term and short-term compensation to compensate their executive officers. Each year the Committee reviews this peer company data when setting EICP targets and LTIP awards for that year but also considers other factors when granting LTIP awards, including Company performance and the individual Named Officer s performance.

2014 Executive Compensation Components

For 2014, the principal components of compensation for Named Officers were:

- Short term compensation:
  - base salary
  - employee incentive compensation plan
- Long-term equity compensation in the form of restricted units and performance units
- Other benefits

Short Term Compensation

Base Salary

We provide Named Officers and other employees with a base salary to provide them with a reasonable base level of monthly income relative to their role and responsibilities. Each of our Named Officers, other than Mr. McNeil, has an employment agreement that provides for a minimum level of base salary and upward adjustments at the discretion of the Board. For a summary of the material terms of the Named Officers employment agreements, please see Narrative Disclosure to the 2014 Summary Compensation Table.

Salary levels are typically considered annually as part of our performance review process as well as upon a promotion or other change in job responsibilities. During its review of base salaries for executive officers, the Committee primarily considers:

- survey and published peer data provided by the Committee s independent compensation consultant;
- internal review of the executive s compensation, both individually and relative to other executive officers; and

recommendations by our Chairman, President and Chief Executive Officer (on executives other than himself).

For 2014, after reviewing peer data and considering the other factors mentioned above under Compensation Strategy, the Committee increased the base salary of each of our Named Officers to maintain base salary around the median of our peers (see 2014 Summary Compensation Table on page 36 for further information). For 2015, in connection with a Company-wide cost cutting initiative resulting from the dramatic decline in commodity prices, the Committee determined not to raise base salary for any of our Named Officers.

Employee Incentive Compensation Program

EICP Award Targets

Our EICP is an annual cash incentive program which provides guidelines for the calculation of annual cash incentive based compensation. The EICP program is intended to focus on and reward achievement of near term financial, operating and strategic priorities that we believe drive long-term value for unitholders. The Committee reviews peer data and internal parity in setting EICP award targets and for 2014 set EICP award targets for each Named Officer as a percentage of base salary. Actual awards can range up to a maximum of 200% of target depending on Company and individual performance.

EICP award targets for our Named Officers in 2014 were set as follows:

Named Officer	% of Base Salary
Mark E. Ellis	115%
Kolja Rockov	90%
Arden L. Walker, Jr.	90%
David B. Rottino	90%
Jamin B. McNeil	75%

Mr. Ellis s EICP target was increased from 100% to 115% in 2014 to maintain his total cash compensation opportunity around the median of peer company CEOs. Mr. Rottino s EICP target was increased in 2014 from 80% to 90% to reflect his promotion to Executive Vice President. In 2015, the Committee elected to keep EICP targets consistent with 2014.

Performance Measures

In early 2014, the Committee established 1) targets for quantitative performance measures based on our 2014 budget targets and budget ranges (other than unitholder return) and 2) qualitative strategic pathways designed to align with our strategy and future vision for the Company. To ensure the right level of focus on the quantitative performance measures, the Committee decided to weight the quantitative measures at 65% and the qualitative measures at 35% in the determination of the total EICP payout.

To provide the Committee the flexibility it needs to adjust for and react to macroeconomic events, such as dramatic changes in commodity prices or volatile capital markets, or to consider Company performance not otherwise reflected in the pre-established performance measures, the Committee prefers not to rely on a purely formulaic approach based on pre-established thresholds resulting in automatic payouts. No payment level is guaranteed and the payment level can never exceed 200% of target. The Committee retains some discretion to determine awards as it thinks appropriate given all the circumstances at the time of award. See Actual Results below for the specific 2014 quantitative performance measures and budget targets and the qualitative strategic pathways. To determine the EICP payout levels for 2014, the Committee reviewed 1) the Company s performance on the quantitative performance measures described below, and 2) the Company s progress on and achievement of the qualitative strategic pathways.

Quantitative Performance Measures

For 2014, 65% percent of each Named Officer s EICP award opportunity was based on the Company s performance with respect to the following measures set at the beginning of 2014:

a) Operations measured by actual production volumes, total cash costs (including lease operating expenses and general and administrative expenses) and total cash costs on a per Mcfe basis, each as compared to our 2014 budget, as revised;

b) Ability to Pay Distribution measured by:

1. our cash flow per unit (defined below) compared to our 2014 budget, as revised;

2. our Distribution Coverage Ratio (defined below) as compared to our 2014 budget, as revised; and

c) Total Unitholder Return/Relative Unitholder Return The Committee selects a peer group for purposes of evaluating the Company s relative and total unitholder return that utilizes the compensation benchmarking peer group on page 21 and the S&P 500 E&P Index as well as a peer group of master limited partnerships and index that is currently composed of:

1. Breitburn Energy Partners LP
2. Eagle Rock Energy Partners, L.P.
3. EV Energy Partners, L.P.
4. Legacy Reserves LP
5. Memorial Production Partners LP
6. Vanguard Natural Resources, LLC
7. Alerian MLP Index

This second group reflects management s and the Committee s view that this group of master limited partnerships and index have historically been the peer group we believe analysts and investors follow most closely when comparing our total return. Using this group in addition to our compensation benchmarking peer group allows us to compare ourselves to our peers both in the upstream master limited partnerships space and also against other similarly situated master limited partnerships through the Alerian MLP Index to reflect our relative size versus other upstream master limited partnerships. We use a different set of peer companies for our 2014 performance unit awards (please see page 30).

For purposes of determining performance relative to executive compensation, we define cash flow per unit as our net cash provided by operating activities plus discretionary adjustments considered by the Board (other than discretionary reductions for a portion of oil and natural gas development costs) divided by the number of units outstanding. We define Distribution Coverage Ratio as net cash provided by operating activities plus discretionary adjustments considered by the Board divided by total distributions to unitholders.

In setting the measures in January 2014, the Committee determined that the measures above should be weighted equally because the Committee believed that each was a factor important to the Company s overall performance and none should be given more importance or weight than the others. See Actual Results below for how the Committee actually considered the objectives.

Qualitative Strategic Pathways

The other 35% of the EICP award opportunity was based on our achievement of or progress made on the following qualitative strategic pathways, which were recommended by management and reviewed by the Committee in January

2014:

a) Operations Excellence;

b) Accounting/Integration Goals;

c) Acquisitions Excellence;

d) Culture People Development and Growth; and

e) Access to Capital/Optimizing Capital Structure.

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Actual Results

Upon completion of the fiscal year, the Committee reviewed and assessed our performance for each quantitative measure described above relative to our original budget, and as revised throughout the year (other than unitholder return) and made a subjective determination with respect to the Company s achievement as compared to those metrics.

Results for 2014 were as follows:

	Revised Budget Target*	Revised Budget Range*	2014 Estimated Performance as of January 2015 (1)
Operations			
Volumes (MMcfe/day)	1,220	1,129-1,313	1,210
Total Cash Costs (Lease Operating Expenses and General and Administrative Expenses) (in millions)	$ 1,012	$ 961-$1,064	$ 1,045
Cash Costs per Mcfe (Lease Operating Expenses and General and Administrative Expenses) ($/Mcfe)	$ 2.27	$ 2.10-$2.44	$ 2.36
Ability to Pay Distributions			
Cash Flow/Unit	$ 4.67	$ 3.88-$5.08	$ 5.42
Distribution Coverage Ratio	0.99x	.91x-1.06x	1.01x

* Budget targets and ranges were updated throughout the year to reflect acquisitions and divestitures.

(1) The Committee based its decisions on estimates of 2014 performance available at the January 2015 Committee Meeting. Actual final results were released in the Company s Annual Report on Form 10-K for the year ended December 31, 2014 and the Company s Earnings Release, filed on Current Report on Form 8-K, each filed on February 19, 2015.

In reviewing the quantitative measures, the Committee focused on:

Operations:

1) We were on target for production volumes;

2) Our costs were within our budgeted range, though slightly higher than target due to higher natural gas prices affecting steam generation costs in California, as well as certain Berry integration costs affecting G&A;

Ability to Pay:

1) We exceeded our revised budget targets in cash flow per unit by approximately 16%;

2) We ended 2014 with an estimated distribution coverage ratio of 1.01x;

Relative Unitholder Return:

1) Our total unitholder return was negative for 2014 and the three-year period ending in 2014 and we were in the bottom quartile of our peer group for relative unitholder return in both of these periods; and

2) Concurrent with dramatic declines in commodity prices, our unit price declined significantly during the last quarter of 2014.

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The Committee then reviewed our performance relative to the qualitative strategic pathways and determined the following with respect to those objectives:

Objective	Outstanding Results
Consistent Operational Results and Execution Our maintenance of a safe and environmentally sound operation Our meeting volume goals while focused on cost savings and base optimization efforts, which are reducing decline rates and improving returns Our successful transition of divested assets and integration of acquired assets and the successful integration of Berry	ü
Accounting/Integration Goals Our migration of Berry s financial systems into LINN systems and our continued ability to report and disclose financial information regarding Berry in SEC filings We had no accounting significant deficiencies or material weaknesses noted	ü
Acquisitions Excellence Our continued leadership in mergers and acquisition, through: Our strategic initiative to exchange or sell our horizontal Wolfcamp position in the Permian Basin, which we did through two property trades with Exxon Mobil Corporation and a sale of our Wolfberry positions in Ector and Midland counties in the Permian Basin Our divestiture of assets in the Granite Wash and Cleveland plays located in the Texas Panhandle and western Oklahoma Our acquisitions of assets from Devon Energy Corporation and Pioneer Natural Resources Company Our continued evaluation of our assets for like kind exchanges, joint ventures or farm-outs to further develop our assets	ü
Culture People Development and Growth Our continued support of employees, ongoing operations and organizational growth while consistently focusing on our values Our reinforcement of our commitment to the communities we operate in through charitable giving and active community participation	ü
Access to Capital/Optimizing Capital Structure	ü

Our continued access to the capital markets to finance growth and preserve liquidity while optimizing our capital structure, through bank lending, public debt issuances, maintenance of positive relationships with rating agencies and investor presentations

Our facilitation of major business development initiatives through sufficient access to capital, our portfolio optimization and innovative DrillCo and AcquisitionCo structures

Relative Unitholder Return. Historically, the Committee has used total unitholder return relative to a group of peers as a performance measure in the EICP. The Committee removed total unitholder return as a performance measure in the EICP with our implementation of performance units, as described beginning on page 29. However, for 2014 EICP awards, the Committee took total unitholder return into account since performance units awarded in January 2014 will not become eligible for payment until early 2016. The Company ranked in the bottom quartile in total unitholder return in 2014 compared to both our compensation benchmarking peer group and the upstream master limited partnership/index peers described earlier over the last one and three year periods.

In addition to reviewing the results of the quantitative and qualitative measures with a focus on the above mentioned factors and considering the objectives of the Company s compensation program, the Committee used

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the following scores and weighting, along with it business judgment and experience, and determined that an overall award of 115% of each Named Officer s EICP award target was appropriate:

	Score	Weighting
Operations Volumes (MMcfe/day) Total Cash Costs (Lease Operating Expenses and General and Administrative Expenses) (in millions) Cash Costs per Mcfe (Lease Operating Expenses and General and Administrative Expenses) ($/Mcfe)	1.05x	32.5%
Ability to Pay Distributions Cash Flow/Unit Distribution Coverage Ratio	1.25x	32.5%
Quantitative Subtotal Score	*1.15x*	65.0%
Strategic Pathways	1.75x	35.0%
Total Score	*1.36x*	
Adjustment for Total Unitholder Return	(0.26x-0.21x)	
Adjusted Total Score	***1.10x-1.15x***	

On the Operations targets, we were within range of our target volumes despite challenges in 2014. On our Ability to Pay Distributions targets, we exceeded both our targets and achieved an estimated 1.01x coverage ratio for the year. On our Strategic Pathways, we executed on our transformational strategy. See pages 26-27 for further explanation of our actual results versus our goals. As a result of the Company s total unitholder return performance, the Committee determined that a downward adjustment in the award level was appropriate.

Generally, the Committee believes that the Company s performance is a reflection of executive officer performance in total. The Committee may, however, apply discretion upward or downward to reflect individual performance. For 2014, the Committee did not make any differentiation in EICP awards due to individual performance; thus each Named Officer received approximately 115% of his or her EICP award target. As an example, Mr. Rockov, whose EICP award target was 90% of his base salary, received an award of approximately 103.5% of his base salary.

Long-Term Incentive Compensation

Our LTIP encourages participants to focus on our long-term performance and provides an opportunity for executive officers and other employees to increase their stake in our company through grants of our units based on a three-year vesting period. Long-term incentive awards benefit the Company by:

- enhancing the link between the creation of unitholder value and long-term executive incentive compensation;
- maintaining significant forfeitable equity stakes among executives thereby fostering retention; and
- maintaining competitive levels of total compensation.

LTIP awards are typically made in January and have been intended primarily as forward-looking long-term incentives. In determining the size of the awards generally, the Committee uses peer data as a guide and targets the total value of each grant such that each Named Officer s LTIP award, when combined with base salary and EICP award, would place the executives total direct compensation between the median and 75th percentile of similarly situated executives in our compensation benchmarking peer group, depending on Company performance; however, the Committee also considers our performance in the prior year in determining the ultimate size of the award. The Committee always has discretion to award above the 75th percentile in years where it determines that exceptional performance is achieved and below the median of the peer group in years of poor performance or when economic conditions dictate.

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In determining individual unit awards in January 2014, the Committee considered the industry market data, our performance for the previous year (including our prevailing unit price), its subjective evaluation of the individual performances of each Named Officer, the relative responsibilities of each Named Officer role, and how each Named Officer contributed to our achievement of quantitative and qualitative performance measures.

In 2014, the Committee granted all of its awards to Named Officers as restricted units and performance units (except for Mr. McNeil, who only received restricted units). The Committee believes that granting restricted units and performance units results in a simple, straightforward LTIP program and closely aligns the Company with how other exploration and production corporations and master limited partnerships